

About University Place Transportation Benefit District

On December 2, 2013, the University Place City Council held passed Ordinance 634, creating a Transportation Benefit District in the City of University Place, known as the University Place Transportation Benefit District ("UPTBD"). The UPTBD Governing Board is comprised of all University Place City Councilmembers.

On December 16, 2013, The University Place Transportation Benefit District Board authorized a vehicle license fee of \$20. In July of 2014, the Washington State Department of Licensing began collecting the vehicle license fee on behalf of the UPTBD to fund maintenance, preservation, and safety enhancements to University Place's existing transportation network.

The 2015 Legislature adopted Second Engrossed Substitute Senate Bill ("2ESSB") 5987 which authorizes any city in which a transportation benefit district ("TBD") has been established pursuant to chapter 36.73 RCW with boundaries coterminous with the boundaries of the city to assume the rights, powers, functions, and obligations of the TBD, by adoption of an ordinance or resolution of the city legislative authority. On November 16, 2015 the City adopted an ordinance assuming the rights, powers, functions, and obligations of the UPTBD. The fee remained the same at \$20.00.

On September 17, 2018, the University Place City Council approved Ordinance 708 which authorized an increase to the vehicle license fee from \$20 to \$35.00. This increase went into effect in 2019.

Frequently Asked Questions

History of Transportation Benefit Districts (TBD)?

In 1987, the State Legislature created Transportation Benefit Districts (TBDs) as an option for local governments to fund transportation improvements. Chapter 36.73 of the Revised Code of Washington provides for the establishment of TBD by cities and counties for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district.

In 2005 and 2007, the Legislature amended the TBD statute to expand its uses and revenue authority, including the ability to authorize a \$20 annual vehicle license fee (VLF), and up to an additional \$80 of VLF, if approved by voters within the district.

The state legislature provided local governments with these tools because inflation has eroded the local share of gas tax and because a series of statewide ballot initiatives passed over the last 12 years have eliminated other traditional sources of funding for local transportation needs. For example, in 2002 a statewide initiative had the effect of repealing a \$15 annual countywide VLF that had been dedicated to the same local street maintenance needs now supported by the University Place TBD's annual fee.

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Who runs the UPTBD?

The University Place Transportation Benefit District is run by the City of University Place. Changes and decisions are made by the University Place City Council.

Why did the UPTBD implement a VLF without voter approval?

In large part, the legislature authorized the VLF to replace a \$15 countywide license fee dedicated to local street funding that had been eliminated by passage of I-776 in 2002.

How is University Place's TBD spending my money?

The TBD budget spends the revenue on a mix of maintenance and preservation as well as safety and enhancements to University Place's existing transportation network.

What funding sources are available to TBDs?

Transportation benefit districts are primarily funded through vehicle license fees and/or sales taxes. There are several other funding options available such as border area fuel taxes, bonds, and impact fees, but these are seldom or never used.

The most common TBD funding source is a vehicle license fee (RCW 82.80.140, RCW 36.73.040(3)(b)). TBDs may impose vehicle license fees up to \$50 without a public vote, subject to the conditions below, or may impose fees up to \$100 with voter approval.

Until 2015, vehicle license fees of \$20 or less could be imposed without voter approval, but 2ESSB 5987 increased the allowable nonvoted vehicle license fee up to a \$50 maximum. However, a TBD may only impose a nonvoted vehicle license fee above \$20 as follows:

- Up to \$40, but only if a \$20 fee has been in effect for at least 24 months.
- Up to \$50, but only if a \$40 fee has been in effect for at least 24 months. Any nonvoted fee higher than \$40 is subject to potential referendum, as provided in RCW 36.73.065(6).

Any license fees over these amounts, up to \$100, must be approved by a simple majority of voters. However, voters have rejected these measures almost every time. The only TBD to successfully pass a voted vehicle license fee is the Seattle TBD, whose voters approved a \$60 fee increase in 2014 after rejecting a similar increase in 2011.

If two or more TBDs with the authority to impose a nonvoted fee overlap, credits must be issued so that the combined nonvoted fees do not exceed \$50 total.

If a countywide TBD wishes to impose a vehicle license fee, it must distribute the revenues to each city in the county by interlocal agreement, which must be approved by 60% of the cities representing 75% of the city population (RCW 82.80.140(2)(a)). If this threshold cannot be met, a district that includes the unincorporated areas only may impose the nonvoted license fees discussed above (RCW 36.73.065(5)).

Can the City of University Place use this money to help with revenue shortfalls in its General Fund or other funds?

No. State statute limits how this money may be used. The money collected from this fee may only be used for acquiring, constructing, improving, providing, and funding transportation improvements within the District. This includes preservation and maintenance of our transportation system.

Are TBD revenues required to be spent as they are collected?

No. The board that creates a TBD must develop a plan that specifies the transportation improvements to be provided or funded by the TBD. The board can indicate if the funds will be used immediately or collected for a specific period prior to spending the accumulated funds.

What other cities have established or are considering a TBD?

DuPont, Bainbridge Island, Bremerton, Buckley, Burien, Carbonado, Des Moines, East Wenatchee, Eatonville, Edmonds, Electric City, Grandview, Kelso, Kenmore, Kittitas County, Lakeforest Park, Lynnwood, Mabton, Maple Valley, Mountlake Terrace, Olympia, Orting, Prosser, Royal City, Shoreline, Snohomish County, Snoqualmie, Spokane, Tacoma, Toppenish, Wenatchee, and Zillah all collect annual VLF's through a Transportation Benefit District. Others collect sales taxes through TBDs. Additional TBD information can be found at <http://www.mrsc.org/Subjects/governance/spd/tbd.aspx#About>.